

GSW debt move may avert bankruptcy, official claims

By LESTER KRAMER
ATLANTA—Great Southwest Corp. officials announced here Tuesday their company has completed a \$150 million debt restructuring move. President Bruce C. Jaul said it is designed to reduce debt payments and avert a possible bankruptcy.

The complicated move is involving more than \$1.5 billion and foreign banks and lending institutions in the fiscal year of 1975. The corporation has undergone since the bankruptcy of its parent company, Penn Central Transportation Co. in June 1971.

Jaul said the latest refinancing was precipitated by

issues of \$107 million during the first nine months of 1974, due largely to the closing of a revenue bond refunding operation and the Japanese Village Market (a \$111.7 million bond issue).

Jaul said money parks, including Great Southwest's Six Flags Over Texas, have continued to operate at substantial losses.

The Six Flags parks have grown to a combined total of \$1.4 billion in the last four years, he said.

Jaul added, however, "a basic problem has been a blanket of debt from the Penn Central bankruptcy."

He said the corporation

"could not meet a debt payment due Sept. 30" and has been working on a debt restructuring.

"We were actually teetering on the edge of bankruptcy several times," he said.

With the refinancing arranged, Jaul said corporation officials are much more optimistic about the corporation's future.

"It may be premature to say all our problems are behind us, but I hope to be beginning of a positive trend," he said.

"The outlook for the company, as far as it goes, is quite good. We continue to be dependent on the success of the amusement parks. But we are at the point now when we can almost expect for the next three years," Jaul said.

"All in all, we're delighted that we've gotten this thing done."

Jaul said the financial restructuring would extend the company's debt payments through 1981, but will reduce Great Southwest's debt requirements by \$50 million in the next three years.

In addition, the maneuver would cut the corporation's new favorable interest rates from both the U.S. and foreign creditors.

The 10-year-old corporation, which was first organized in 1964 and now is based in Los Angeles, has two operating subsidiaries, GSC Development Corp. and Six Flags.

GSC Development Corp. operates two large amusement parks in the Los Angeles area and the 5,000-acre Six Flags recreational development in Southern California.

The Six Flags amusement park subsidiary operates Six Flags Over Texas, Six Flags Over Georgia, Six Flags Over New Mexico, and Wonderful Wax Museum in Fort Worth, Texas.

Six Flags is building and will operate a \$6 million Six Flags Over Texas expansion in Orlando, Fla., that is scheduled to open in 1976.

Jaul and Victor Fisman, chairman of Great Southwest and president of its parent company, the Pennsylvania Co., were brought into Great Southwest in October 1971 to attempt to salvage the financially troubled real estate and amusement park company after the bankruptcy of Penn Central.

The Pennsylvania Co., a widely owned subsidiary of the Penn Central Transportation Co., was purchased in 1964 by Great Southwest financial restructuring by investing \$10 million in new equity capital, issuing a \$10 million GSC note and warrants to purchase Great Southwest common stock, and giving up certain preferred stock and assets.

The Pennsylvania Co. previously owned about 40 per cent of the common stock of Great Southwest. The new plan changes its common stock ownership to 46 per cent.

The refinancing improves Great Southwest's net worth by about \$10 million. The net worth Sept. 30, 1974, under the old capital structure was a deficit of \$4 million, officials said.

Jaul said the refinancing was negotiated with a lender group of 20 U.S. banks, a syndicate of 10 European banks and financial institutions, a real estate investment trust and five institutional preferred stockholders.

Italian concern may buy Texas, Georgia lion parks

GRAND PRINCE—The Lion Country Safari here and a similar park in Georgia will be under Italian ownership in April if stockholders of the parent company approve the transfer.

The company plans to sell the Texas and Georgia parks to Park Safari S. P. A. for about \$12.5 million.

The amount includes a down payment of \$1 million plus installments of \$1 million plus interest.

If the sale is approved, the company will have \$12.5 million in cash.

Lion Country Safari will

transfer to operate an additional two parks in Georgia County, Ga., and West Palm Beach, Fla.

The California firm also will act as a consultant to the Italian firm under a \$125,000 contract.

A park spokesman said the sale will involve clearing a deficit amounting last October of \$1 million on our debt.

The sale will be submitted to the stockholders for approval April 1 and the transaction would occur about mid-April, the park spokesman said.

Remodeling of the new Richland Hills police station was completed Friday night when the City Council agreed to buy several chairs, tables, one "love seat" for the squad room and "casseroles aprons" drapes for the lab.

Deputy chief George Campbell attributed the sale to "good community relations." This remark failed to keep Mayor Paul Daniels from believing the love seat should be called a "two-place couch" when furnishing the police station.

The MIDCITY SYMPHONY Orchestra needs several string players for a concert tentatively set for March 20. Mrs. Cherry Hoffman said the concert will be presented in the Arlington High School auditorium. For more information, call Mrs. Hoffman at 277-3884 or Mrs. Kathryn Ellis at 277-3884.

RELATED BIRTHDAY WISH: Congratulations to Grapevine pioneer Bill McPherson, who celebrated his 83rd birthday at his home in Southlake Jan. 25. "Mr. Mac" is the only living member of a wagon train that came to the area in 1901.

"MR. AND MISS SENSUALS" of the University of Texas at Arlington will be crowned Friday night, ending a week of fund raising for the American Heart Association. To vote, students must make a donation. Winners will be announced at a dance in the ballroom in the student center between 8 p.m. and midnight.

REP. JIM WRIGHT is scheduled to address students from history, government and economics classes when he visits Tarrant County Junior College Northeast Campus at 10 a.m. Wednesday in the Learning Resources Center. A 9:30 a.m. reception will be in the Service Center for Opportunity to Overcome. Problems officers on the second floor of the center.

MRS. LUCY WRIGHT, city secretary in Richland Hills, has been designated a certified municipal clerk by the International Institute of Municipal Clerks in Pasadena, Calif. Mrs. Wright joined other Texas city clerks and city secretaries who have the title. The certification is the "F.I.C." of the clerical field.

Now and notable

Richland police get '2-man couch'

By DON HARRISON

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